

MEMORANDUM

OKLAHOMA TAX COMMISSION
TAX POLICY AND RESEARCH

DATE: September 22, 2017

SUBJECT: Req. No 36X

TO: Rick Miller, Director

FROM: Michael C. Kaufmann, Tax Policy Analyst

This bill draft proposes to amend 68 O.S. § 5013 by eliminating the refundable aspect of the sales tax relief credit for tax years beginning on or after January 1, 2018.

Under current law, persons domiciled in this state during the entire calendar year and whose gross household income does not exceed Twenty Thousand Dollars (\$20,000.00) for individuals and Fifty Thousand Dollars (\$50,000.00) for those who claim a dependent, are at least sixty-five (65) years old or have a physical disability constituting a substantial handicap to employment may file a claim for sales tax relief. This relief is in the form of a refundable income tax credit in the amount of Forty Dollars (\$40.00) per qualified exemption.

The estimated fiscal impact is no change to income tax collections for FY18 and for FY19 an estimated increase in income tax collections of \$23,432,000.